Alpine Gems & Minerals

Paul & ArJean Lamoreaux, owners
P.O. Box 610
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NOV 0 9 2005

DIV. OF OIL, GAS & MINING

November 4, 2005

Doug Jensen State of Utah, Department of Natural Resources Division of Oil, Gas, and Mining 1594 West North Temple, Suite 1210 P.O. Box 145801 Salt Lake City, UT 84114-5801

Subject: Cessation Order MC-2005-02-05(1)

Certified Return Receipt #7002 0510 0003 8603 3042

Butler Valley Quarries

Dear Mr. Jensen,

In reference to Ben Lamoreaux's telephone conversation with Darin Hatark on November 3, 2005, I am requesting an additional extension of 15 days to increase our current reclamation surety bond, in order to have a meeting on site. A surety bond was already paid to the BLM for the subject quarries in 2002 in the amount of \$15,000 to cover 5 acres of disturbance. As I mentioned in my prior letter, my engineer has surveyed the disturbed areas and is preparing a map with areas, and we need to meet on site to agree on: 1) Amount of disturbed area; 2) Agreement on reclaimed areas for the 3 year, 70% vegetation growth requirements; and 3) Final amount of disturbed area. Darin indicated that the disturbed area measured by the State of Utah was 8 acres with a standard \$5,000 per acre to reclaim, but we disagree on the acreage and the dollar amount. The \$15,000 bond already covers the existing 5 acres of disturbance, so new bonding should only be needed to cover any amounts above 5 acres, if there are any. In addition, mined areas are reclaimed concurrently as we progress with mining, and as such reclaimed areas are interspersed with active mining areas, so the outer boundary of the mined area does not represent the disturbed area. In addition, the pits/highwall dug are very shallow (typically 12-15 ft. or less), represent a small portion of the disturbed area, and reclamation of these areas requires minimal effort to complete. We disagree that \$5,000 per acre is necessary for the reclamation work. This is evidenced by the fact that the BLM accepted a \$15,000 bond in 2002 as adequate to perform reclamation for 5 acres. Because of this disagreement, and the fact the pits are shallow, we would request that the State of Utah accept an engineer's estimate for the reclamation for any areas that may be above 5 acres. Darin also mentioned that we would need to post a bond for the entire amount, and then try to claim a refund of the bond from the BLM already posted for the same Butler Valley Quarries. We request that the State of Utah reduce any additional bond requested by the amount of \$15,000 already paid to the BLM, and we will request the BLM transfer this to the State of Utah.

Please contact my son Ben Lamoreaux directly, at Lamoreaux, McLendon & Associates at (435) 586-0174 to arrange the site visit. We will need 5 days after the meeting to prepare final maps and

engineer's estimate, so we are requesting this meeting within the next 10 days. Doug Powell has indicated he can meet on November 12, 18, 21 or 22nd. We can meet on any of these days, so please let us know. We would prefer early dates to give us time to finalize the maps and engineer's estimate. As Ben discussed with Darin Hatark, we are proceeding to reclaim inactive disturbed areas to bring the Butler Valley Quarries well under 5 acres of disturbance. This work should be completed prior to our meeting.

You can contact me at my home at (435) 477-3350, or you can contact Ben Lamoreaux at (435) 701-1875 (cell phone), (435) 586-0174 (office). Please let us know.

Sincerely,

Paul Lamoreaux

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